

Business

NBK ECONOMIC INSIGHT

Kuwait's GDP growth accelerates in Q2 on oil and non-oil sector gains

Overall growth expected to pick up further in 2025-26

KUWAIT: Preliminary official estimates show GDP expanding for the second consecutive quarter in Q2 2025, helped by the return of the oil sector to expansion and an acceleration in non-oil economic growth. Oil GDP recorded a marginal increase, the first in more than two years, as crude production increased in line with the unwinding of voluntary production cuts by OPEC-8. Non-oil activities, meanwhile, were boosted by an improvement in the construction, telecommunications, and real estate sectors. The near-term outlook is promising, with projects activity firm, bank credit growth robust and a business climate helped by slightly looser monetary conditions.

Oil sector returns to growth, set to accelerate further

Oil GDP grew by 0.2 percent y/y in Q2 2025, returning to growth for the first time since Q1 2023, after OPEC-8 commenced unwinding the group's voluntary production cuts in April 2025. The gain exactly reflects the increase in Kuwait's crude oil production over the same period – a rise of 0.2 percent y/y to an average of 2.418 mb/d in Q2, according to official sources. Since then, OPEC-8 has

proceeded to bring back supply at a fairly aggressive rate, restoring all of the 2.2 mb/d of voluntary cuts from 2023-2024 by the end of September – a year ahead of schedule – and starting on the second tranche of cuts (1.66 mb/d from May 2023) in October. For Kuwait, this implies crude production gains of 135 kb/d by end-Q3, before compensatory cuts are factored in, and a further 128 kb/d by mid-2026, assuming OPEC+ does not pause or reverse its re-supply schedule in the months to come.

Non-oil GDP growth

The non-oil economy expanded by 3.1 percent y/y in Q2 2025, quickening over the 2 percent recorded in Q1 for a third consecutive quarter of positive annual gains. Growth in Q2 was led by an acceleration in the construction (12.6 percent y/y), telecommunications (8 percent), real estate (7.2 percent), and health & social work (5.9 percent) sectors. The construction sector is expected to remain a significant driver of non-oil GDP growth in the near term, as the government doubles down on its large pipeline of infrastructure projects, including the construction of

new housing cities, road networks and the development of expanded power & water facilities. Slightly offsetting the acceleration was softer growth in the three largest sectors of the non-oil economy: public administration & defense (+0.9 percent y/y), financial intermediation and insurance (+1.9 percent), and manufacturing (+0.3 percent y/y). Meanwhile, the wholesale & retail trade (-5.1 percent y/y), electricity & gas & water (-1.9 percent), personal & household services (-1.2) and 'other services' sectors (-1.1 percent) recorded declines in output.

Overall growth to accelerate further in 2025-26

Total GDP increased by 1.7 percent y/y in Q2 2025, cementing its return to positive growth following seven consecutive quarters of contraction in 2023-2024 due to prolonged oil production cuts. The outlook remains constructive thanks to rising crude output, a more favorable business environment and the government's reform drive. With interest rates down by 50 bps this year and potentially easing further in 2026, credit growth should be well-supported following robust levels this year (+6 percent ytd in Septem-

ber). The boost from lower borrowing costs should also help spur further gains in the real estate sector, where activity jumped to an 11-year high in Q3 2025. Meanwhile, project awards activity has been solid this year and is on track to match 2024's multi-year-high, helped by the government's commitment to expand oil and power generation capacity and develop infrastructure more generally as noted above.

Nevertheless, downside risks to the outlook are present, with lower oil prices one of the more significant dynamics worth watching amid signs of an emerging supply glut in the oil markets, which could pressure the public finances and widen the fiscal deficit. The authorities have, however, through successful bond sales, managed to secure additional sources of financing to cover the funding gap. The consumer sector is another weak point, with spending fairly subdued compared to recent years (central bank cards data show transactions -5.9 percent y/y in Q2 2025), but this trend could begin to unwind over the coming quarters. Overall, we see GDP expanding by 2.3 percent this year, a substantial improvement on 2024 (-2.6 percent), boosted by expansions in both the oil (+2.4 percent) and the non-oil sectors (+2.2 percent).

Gulf Bank opens registration for 4th edition of Datathon competition

KUWAIT: Following the great success achieved by the competition in previous years, and as part of its ongoing support for youth, Gulf Bank has announced the opening of registration for the fourth edition of the Datathon competition, which will be held on Saturday, November 15, 2025, at the American University of Kuwait, from 9am to 8 pm.

Those interested in participating can register through the following link: <https://e-gulfbank.com/datathon-en>

The Bank invites all data and artificial intelligence enthusiasts aged 16 and above to take part in this exceptional event, which aims to promote a data-driven culture and offer participants the opportunity to gain practical, hands-on experience in the field of data science — along with valuable cash prizes for the top three winners in each category. This year's participants will compete in three main tracks:

- **Data Science Track:** To uncover analytical insights and create innovative solutions through predictive analytics and data visualization.
- **Generative AI Track:** To explore the creative world of AI by developing systems capable of generating text, images, and ideas.
- **Data Engineering Track:** To design robust data pipelines and structures that support real-time analytics and digital innovation.

Participants will also have the opportunity to attend free educational workshops led by experts from

Gulf Bank, providing them with practical skills in analytics tools and data science techniques.

A preparatory workshop will be held at the American University of Kuwait on Thursday, November 13, 2025, from 6pm to 9pm.

On this occasion, Dr Haidar Al-Muhri, Manager of Data and Innovation at Gulf Bank, said: "We are proud to continue organizing Gulf Bank's Datathon for the fourth consecutive year, which has become a national platform uniting innovators in technology and data." He added: "Through this event, we aim to empower Kuwaiti youth with advanced analytical skills, encourage innovation using the latest artificial intelligence and data science technologies, and reinforce Kuwait's leadership in the digital domain. We invite young people and data enthusiasts to seize this opportunity."

The organization of Gulf Bank's Datathon reflects the Bank's commitment to empowering young local talents, encouraging them to develop their analytical and creative skills, and contributing to building a society more aware of the importance of data and AI in the future of business.

On a monthly basis, consumer prices rose by 2.55 percent, with the highest increases affecting food, which rose 8.4 percent, housing, up 7.8 percent and transport, which rose 4.3 percent. Turkey has experienced double-digit inflation since 2019, making life increasingly more expensive for millions of people, after President Recep Tayyip Erdogan ordered interest rate cuts in a bid to spur growth.

The figure, which exceeded 75 percent in May 2024 before starting to fall, is now at its lowest level since November 2021. The official figures are disputed by independent economists from the Inflation Research Group ENAG, who estimate that consumer prices rose by 60 percent year-on-year in October. — AFP

Turkey inflation eases to lowest level since 2021

ISTANBUL: Turkish inflation eased slightly in October, reaching 32.87 percent—its lowest figure in nearly four years, official data showed on Monday after rising for the first time in more than a year. The annual figure had experienced a slight rebound in September to 33.29 percent after 15 months of decline, with the increase mainly affecting food and housing prices.

NBK launches exclusive retirees package

KUWAIT: National Bank of Kuwait (NBK) introduces a first-of-its-kind retirees package, designed to enrich the retirement experience with a powerful combination of financial benefits, health services, and lifestyle offers. This exclusive package reflects NBK's deep commitment to supporting the retirement community, and we are proud to be the only bank with a dedicated branch inside the Public Institution for Social Security (PIFSS) — a testament to our focus on serving retirees where it matters most.

Tailored banking privileges

NBK's retirees package offers competitive deposit interest rates and premium banking services that ensure financial peace of mind. Retirees can benefit from attractive returns on various deposit options, with rates reaching up to 3.875 percent, depending on the deposit type and duration.

Additionally, retirees are eligible for lifetime-free NBK credit cards (Visa Signature, World MasterCard, Visa Platinum) upon meeting simple criteria such as pension transfer or a qualifying deposit.

Convenience at your doorstep

For Thahabi retirees, NBK now extends Home Banking services, previously exclusive to Privilege customers. Through trusted partners like Peacock Concierge and Q'go Concierge, retirees can receive banking documents without visiting a branch — offering comfort, convenience, and time-saving access.

Health & wellness benefits

Retirees enjoy a complimentary subscription to Al-Seef Hospital's Rayan Care Program, with options including cashback points, free consultations, or lab tests tailored to their needs. NBK

Various Benefits to Enjoy Your Retirement In Addition to Competitive Interest Rates



also offers a comprehensive wellness assessment in partnership with Fawzia Sultan Healthcare Network, covering both physical and mental health — a one-time bundled service delivered by a specialized medical team.

Travel & lifestyle offers

To make travel more rewarding, retirees receive a 5 percent instant discount on Q'go Online holiday packages, including flights and hotels. Offers are easily accessible via NBK Mobile App, website, or Q'go VIP lounges. For tech enthusiasts, NBK provides a 2 percent instant discount at X-Cite Electronics on in-store purchases using NBK Credit Cards (excluding Apple products and prepaid cards) on top of 10 percent in NBK KWT Points when using NBK Kuwait Visa infinite Credit Card

A message from NBK

"At NBK, we believe retirement marks the beginning of a new chapter filled with opportunity and comfort," said Abdullah Al-Najdi, AVP — Consumer Banking Group at NBK. "This package is thoughtfully designed to reflect our appreciation for retirees, combining financial security with lifestyle benefits that truly make a difference." NBK continues to innovate and invest in initiatives that enhance community well-being, ensuring our customers enjoy a comprehensive, convenient, and rewarding banking experience.



Dr Haidar Al-Muhri



Abdullah Al-Najdi

BofA CEO faces calls to boost returns and dealmaking

NEW YORK: As Bank of America executives step on stage on Wednesday to address investors, they face pressure to boost returns through dealmaking and wealth management to catch up with larger rival JPMorgan Chase. CEO Brian Moynihan, who has led BofA since 2010, will convene investors in Boston on Nov 5 to lay out how the second-largest US lender plans to grow after its returns have trailed peers. This is the bank's first such gathering since 2011.

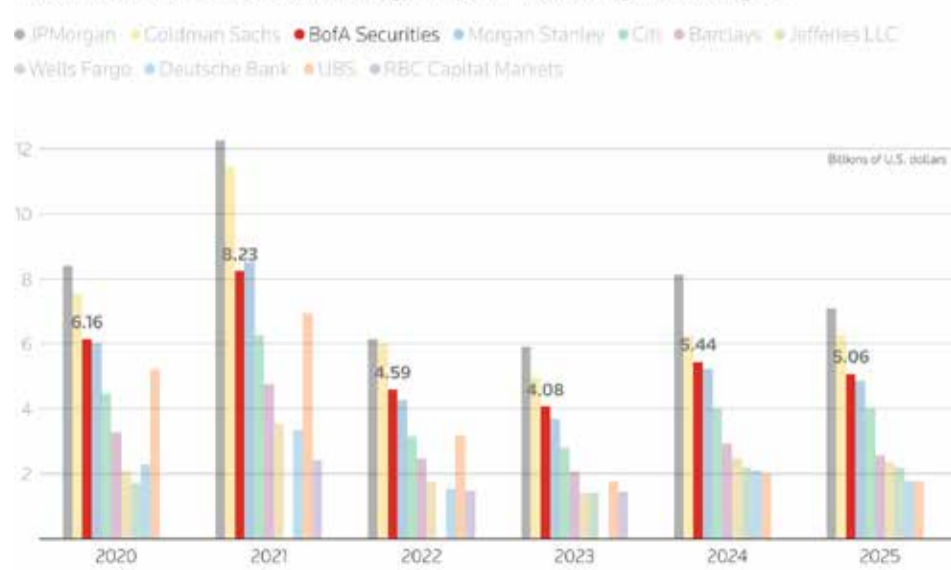
The bank could use the presentation to highlight its competitive advantages in consumer and small business lending, investors say. With its investment bank still playing catch-up to JPMorgan and Goldman Sachs in dealmaking revenue, and its wealth arm managing fewer client assets than JPMorgan and smaller competitor Morgan Stanley, shareholders are assessing how BofA can close those gaps. "It's quite remarkable how much Bank of America has underperformed the industry for the last 15 years on loan growth," Wells Fargo banking analyst Mike Mayo said.

"It also lagged in some areas of wealth management, investment banking, credit cards," he added. Bank of America declined to comment. Moynihan took the helm after the 2008 financial crisis threatened to destabilize the global economy. He integrated the investment bank Merrill Lynch, which BofA bought from the brink of collapse, paid back a government bailout and slashed jobs.

After a rocky start, Moynihan engineered a momentous turnaround, driven by an oft-repeated mantra of "responsible growth." The years-long rebuild earned him global prominence as a steady operator who now regularly appears on global stages, including with presidents and world leaders.

Investment banking league tables: Bank of America's performance

How Bank of America has stacked up against peers in collecting dealmaking fees



Note: 2025 data is YTD, as of October 30 | Source: Dealogic

Investors want to know what's next. They question how Moynihan and his leadership team will make more money from its investments in the overall bank, said Dick Manuel, senior equities analyst at Columbia Threadneedle, who owns a stake in BofA. "The franchise (has) been growing really well now, but the revenues are probably understating the strength of the franchise, or at least the profitability."

BofA generated a 15.4 percent return on tangible equity (ROTCE) in the third quarter, a key metric investors use to assess a bank's performance. JPMorgan achieved a 20 percent ROTCE in the same period, filings showed. While BofA's returns have improved in the last decade, some analysts say its large lag behind

JPMorgan is a cause for concern.

Moynihan may have become too risk-averse in an effort to avoid the pitfalls of the financial crisis, Wells Fargo banking analyst Mike Mayo said. That approach may have caused BofA to miss out on chances to bolster investment banking and grow loans. "There was a very clear, explicit and implicit mandate to de-risk the firm and ensure that Bank of America would be more resilient in the decades ahead," said Wells' Mayo.

"It's okay to have responsible growth, but you also have to have an opportunistic mindset for evaluating risk versus returns." Mayo as well as analysts at Keefe, Bruyette & Woods say BofA should set its sights on returns between 16 percent to 18 percent. — Reuters

The developer joins a burgeoning property sector targeted to reach a market value of Dh1 trillion under the Dubai Real Estate Sector Strategy 2033

KORA Properties Debuts in UAE, Extending Apparel Group's Proven Excellence in Pioneering Future of Real Estate

APPCORP, the holding company of Apparel Group, the leading retail conglomerate in the fashion and lifestyle sector, has announced its foray into the real estate industry with the launch of KORA Properties. The new venture marks a key milestone in APPCORP's diversification and innovation strategy as well as affirms its commitment to enriching lives in the UAE.



KORA Properties, a fully integrated real estate development company, aims to meet the growing demand for high-quality properties as the UAE continues to rank among the world's most attractive destinations for real estate investment. The company is led by Mr. Nilesh Ved, Chairman of APPCORP Holding and Owner of Apparel Group, who also takes on the role of Chairman of KORA Properties. Leveraging his deep market knowledge, entrepreneurial expertise, and a strong track record in building global businesses, Mr. Ved is set to steer KORA Properties toward sustained growth and value creation across the region's dynamic real estate landscape. The announcement comes as Dubai's real estate sector is on track to reach a market value of Dh1 trillion under the Dubai Real Estate Sector Strategy 2033, as a result of

growing demand with global investors shifting their focus to Dubai. With a clear vision to add significant value to the economy, KORA Properties will develop a variety of real estate projects, from residential to retail and commercial, as well as niche developments for the healthcare and hospitality segments. Mr. Nilesh Ved, said: "Apparel Group's motto is to always create experiences that elevate lifestyle for the community, whether through its offerings in fashion, lifestyle, or service. With KORA Properties, we are extending our brand's promise into real estate, promising living spaces that nurture dreams, foster growth, and elevate living. Today marks a new chapter, as we continue to innovate and diversify while staying true to our core values of commitment, quality, and customer-centricity." "KORA Properties is founded on the belief that a home is

one of life's most important milestones, and homes are forever. It is not just about bricks, steel, and mortar; it is about creating spaces that become canvases for life's most meaningful moments and offer "Timeless Living". We are committed to delivering premium residences, offices, and commercial spaces built on transparency, long-term vision, and an unwavering dedication to customer trust."

By combining Apparel Group's trusted legacy with a forward-looking vision, KORA Properties aims to redefine modern living and contribute to the UAE's ever-growing real estate landscape. The launch also reinforces APPCORP Holding's position as a dynamic, future-ready conglomerate that continues to set benchmarks in innovation, customer service, and sustainable growth. As the Group expands its footprint into real estate, it remains committed to delivering on its promise of enriching lives. Since its establishment in 1996, Apparel Group has built a strong reputation as one of the most successful retail companies in the region. With a portfolio of over 85 global brands, more than 2,500 stores in 14 countries, and a workforce of 27,000 multicultural employees, Apparel Group continues to deliver exceptional value to millions of customers.